

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

ANNUAL COMPLIANCE REVIEW, 2021

Docket No. ACR2021

**RESPONSES OF THE UNITED STATES POSTAL SERVICE TO
QUESTIONS 1-3 OF CHAIRMAN'S INFORMATION REQUEST NO. 4**

The United States Postal Service hereby provides its responses to the above-listed questions of Chairman's Information Request No. 4, issued on January 21, 2022. Each question is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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January 28, 2022

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1. Please refer to the FY 2021 targets and results for each performance indicator listed on page 33 of the *FY 2021 Annual Report*. For each performance indicator, please confirm that the FY 2021 target and result are calculated using the same methodology.
 - a. If confirmed, for each performance indicator with a comparable FY 2021 target and result, please describe the methodology used to calculate these numbers.
 - b. If not confirmed, for each performance indicator with a FY 2021 target that is not comparable to the FY 2021 result:
 - i. Please describe the methodologies used to calculate the FY 2021 target and result.
 - ii. Please provide a FY 2021 result comparable to the FY 2021 target. If a comparable FY 2021 result cannot be provided, please explain why, and explain either (1) how to compare results between the different methodologies or (2) why making this comparison is not feasible.

RESPONSE:

a.

High Quality Service: Confirmed.

Service performance results are calculated using the Service Performance Measurement (SPM) system. Methodology is described in the SPM plan (USPS-LR-PI2021-3/2 - Revised USPS Service Performance Measurement Plan).

For the formulation of High-Quality Service targets for market dominant products, performance data are sourced from the SPM system. These data include performance for volume that is in service performance measurement broken out by month, mail class, mail shape, service standards, transportation mode, and entry type; they are used by the Postal Service to assess the service

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performance levels for different products.¹ In FY 2021, when the standards were established, part of the fiscal year had already transpired, and actual performance data were used where available. The remainder of the fiscal year was forecast from those actual base performance numbers, utilizing historical performance and applying an operational performance improvement factor predicated on known network and operational changes.

Customer Experience Composite Index: Confirmed. Detailed descriptions of the methodology can be found in the Background subsection of Overall Customer Satisfaction Including Market Dominant Products section of the Annual Compliance Report, as well as the Excellent Customer Experience section on page 38 of the Annual Report to Congress.

Safe Workplace: Confirmed. The Total Accident Rate is calculated by using the following formula:

$$\frac{\text{Count of all Accidents} \times 200,000}{\text{Exposure Hours}}$$

Employee Engagement: Confirmed.

The Grand Mean Engagement Score is derived from the average of ratings for survey items Q01-Q12 provided by Postal Pulse Survey respondents. The

¹ Note that while performance data are supplied by the SPM system, the SPM system does not itself set performance targets. Rather, the Postal Service sets targets based on the same underlying data set used to calculate performance results.

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Engagement Survey Response Rate is calculated by dividing the number of employees who responded to at least one question on the Postal Pulse Survey by the total number of employees.

Controllable Income: Confirmed. For FY 2021, the target and result for Controllable Income used the same methodology. Controllable Income is calculated as Total Revenue minus Controllable Expenses.

b. N/A

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2. Please refer to results from FY 2018 through FY 2021 listed on page 33 of the *FY 2021 Annual Report*. For each performance indicator measuring progress toward the Excellent Customer Experience, Safe Workplace and Engaged Workforce, and Financial Health performance goals, please confirm that FY 2018 through FY 2021 results are expressed using the same methodology.
- a. If confirmed, for each performance indicator with comparable results, please describe the methodology used to calculate FY 2018 through FY 2021 results.
 - b. If not confirmed, for each performance indicator with non-comparable results:
 - i. Please describe the methodology used to calculate the result for each year from FY 2018 through FY 2021.
 - ii. Please explain why comparable results for FY 2018 through FY 2021 cannot be provided.
 - iii. Please explain how to compare results across FY 2018 through FY 2021. If making this comparison is not feasible, please explain why.

RESPONSE:

a.

Customer Experience Composite Index: Not confirmed.

Safe Workplace: Confirmed. For FY 2018 through FY 2021, the Total Accident Rate is calculated by using the following formula:

$$\frac{\text{Count of all Accidents} \times 200,000}{\text{Exposure Hours}}$$

Employee Engagement: Confirmed.

For FY 2018 through FY 2021, the Grand Mean Engagement Score was derived from the average of ratings for survey items Q01-Q12 provided by Postal Pulse

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Survey respondents. The Engagement Survey Response Rate was calculated by dividing the number of employees who responded to at least one question on the Postal Pulse Survey by the total number of employees.

Controllable Income: Confirmed. For FY 2018 through FY 2021, the result for Controllable Income used the same methodology. Controllable Income is calculated as Total Revenue minus Controllable Expenses.

Deliveries for Total Work Hours: Not confirmed.

b.

Customer Experience (CX) Composite Index Methodology

i. Methodology used to calculate the result for each year from FY 2018 through FY 2021:

- FY 2018: the CX Composite Index was based on scores of the BSN, POS, Delivery, CCC (both Live Agent and Interactive Voice Response), eCC, Large Business Panel, USPS.com, and BMEU surveys.
- FY 2019 through FY 2021: the CX Composite Index was based on scores of the BSN, POS, Delivery, CCC, C360 (renamed from eCC), USPS.com, and BMEU surveys.

More detailed methodology changes to the Customer Experience (CX) Composite Index can be found in the footnotes on page 33 of the Annual Report to Congress.

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- ii. Results between FY 2018 and FY 2021 are not directly comparable because the Large Business Panel survey was removed from the CX Composite score calculation starting in FY 2019.
- iii. Comparable results for the CX Composite Index are provided below for FY 2018 through FY 2021. The Large Business Panel survey was removed from the CX Composite score calculation in FY 2018 to produce comparable results.

	FY 2021	FY 2020	FY 2019	FY 2018¹
Customer Experience (CX) Composite Index	68.49	72.40	69.04	66.48
1. The FY 2018 CX Composite Index was recalculated with the current methodology by removing the LBP survey score (72.34)				

Deliveries for Total Work Hours:

- i. For FY 2018 through 2020, the result for Deliveries per Total Work Hours, % Change (DPTWH) used the same methodology. DPTWH is calculated by multiplying the total possible deliveries by the number of delivery days and dividing that product by total work hours. The percent change in DPTWH is calculated by comparing the current year DPTWH with prior year DPTWH.
- ii. No FY2021 target was set for DPTWH and the indicator was not measured in FY2021.
- iii. Please see response 2.b.ii immediately above.

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3. Please refer to the library reference containing information on the non-public performance indicators used to measure progress toward the High-Quality Service performance goal.² For each non-public performance indicator, please confirm that the FY 2021 target and result are calculated using the same methodology.
- a. If confirmed, for each non-public performance indicator with a comparable FY 2021 target and result, please describe the methodology used to calculate these numbers.
 - b. If not confirmed, for each non-public performance indicator with a FY 2021 target that is not comparable to the FY 2021 result:
 - i. Please describe the methodologies used to calculate the FY 2021 target and result.
 - ii. Please provide a FY 2021 result comparable to the FY 2021 target. If a comparable FY 2021 result cannot be provided, please explain why, and explain either (1) how to compare results between the different methodologies or (2) why making this comparison is not feasible.
 - c. For each non-public performance indicator used in FY 2021, please confirm that results from FY 2018 through FY 2021 are calculated using the same methodology.
 - d. If part c. is confirmed, for each non-public performance indicator with comparable results, please describe the methodology used to calculate FY 2018 through FY 2021 results.
 - e. If part c. is not confirmed, for each non-public performance indicator with non-comparable results:
 - i. Please describe the methodology used to calculate the result for each year from FY 2018 through FY 2021.
 - ii. Please explain why comparable results for FY 2018 through FY 2021 cannot be provided.
 - iii. Please explain how to compare results across FY 2018 through FY 2021. If making this comparison is not feasible, please explain why.

² Library Reference USPS-FY21-NP30, December 29, 2021, file "NONPUBLIC Preface USPS-FY21-NP30.pdf," at 7-9.

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RESPONSE:

- a. Confirmed.
- b. The service performance results for competitive products is a census measurement of all pieces that receive start-the-clock and stop-the-clock scans. The data informing this census measurement are drawn from official measurement systems for competitive products. Business rules are in place to ensure accuracy of results. On-time performance is calculated based on service standards between origin and destination zip-codes.

For the formulation of High-Quality Service targets, data were sourced from the same official measurement systems for competitive products as inform the calculation of service performance results. These data include performance for volume that is in service performance measurement broken out by month, mail class, mail shape, service standards, transportation mode, and entry type; they are used by the Postal Service to assess the service performance levels for different products.³ When the standards were established, part of the fiscal year had already transpired, and actual performance data were used where available. The remainder of the fiscal year was forecast from those actual base performance numbers, utilizing historical performance and applying an

³ Note that while performance data are supplied by measurement systems, these systems do not themselves set performance targets. Rather, the Postal Service sets targets based on the same underlying data set used to calculate performance results.

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operational performance improvement factor predicated on known network and operational changes.

- c. N/A
- d. Confirmed
- e. Please see response 3a.
- f. N/A